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CONGRESSIONAL RECORD — APPENDIX

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Retail sales have been faltering and surveys of consumers reveal a tendency to cut back on buying.

But personal incomes still are rising, reflecting swelling wages and salaries. The reason retail sales have been faltering is not that consumers have less money to spend. The reason is that consumers are saving a high percentage of their incomes and they could change to active buying anytime.

Automobile production and sales are down sharply and depress many related fields.

But the housing industry is picking up and this recovery helps related fields.

How businessmen adjust their ratio of inventories to sales—if there isn't a revival of big consumer buying—is vital to whether or not there is a recession.

But businessmen still are scheduling increases in plant and equipment spending in 1967 to new records.

So the "checker-board" goes. And over and beyond all of this is the uncertainty about the Vietnam war, for if this ends fairly quickly, the whole situation would change.

Against this background, the fact that policy-makers are so on the alert for a recession may be our best "secret weapon" against the development of one.

United States as in a battle with "Communism" for influence in other countries; that they thought this battle could only be won with the aid of extensive covert expenditures and propaganda; and that whatever "the other side" did in this war had to be matched by "our side."

Now that the C.I.A.'s secret connection with the National Student Association has been broken, for instance, the intelligence men fear there will be no American delegation at the world youth festival in Sofia next year; and one said that "the question is whether the international youth movement is going to be taken over completely by the Communists without a fight."

MORE IMPORTANT QUESTION

But there is a more important question: Is there any reason why an American delegation cannot be financed openly and honorably by the Federal Government, or by one of the private foundations untainted by C.I.A. money?

There is no reason and there never was any reason except the reluctance of Congress to appropriate such money; that is why the C.I.A. has had to hand it out secretly. But if student activities are as important as the agency rightly claims, if American representation at Sofia and elsewhere is now endangered, surely the Administration could make a good case in Congress for the small amounts needed, especially since the publicity of recent disclosures.

That not only would provide representation, it would provide it honestly and openly, without taint of espionage. And if its Government sponsorship would then be public knowledge, certainly the government sponsorship of Communist delegations is as widely known.

VITAL PROPAGANDA

The officials interviewed laid great stress on the vital importance of propaganda and secret influence in other countries. As one man said, putting "a little money" into a free labor union "to keep it alive" may be necessary; but can it only be done by subverting similar organizations in our own society? And can it really be contended that secret tampering with and subsidization of governments, institutions and individuals in other countries is anything but a sort of last-ditch stand made necessary only by the failure or absence of other, more open means?

Such means exist—effective aid to hard-pressed economies, for instance (which Congress is so reluctant to vote); sensible assistance, education and training programs; friendly and understanding efforts to help people help themselves; even military protection, if that becomes necessary. Such efforts to help the under-privileged of the world begin to realize their aspirations simply dwarf the importance of secret operations, propaganda and purchased influence.

It may be more glamorous, easy and acceptable in Congress to fight "Communism"—if there is any such monolithic force as the term implies—with covert operations and "dirty tricks," rather than with aid, understanding, friendship and example. But to accept the view that whatever the "other side" does has to be done by "our side" is the moral equivalent of justifying the means by the end; it is the political negation of the idea that there are democratic, American means of accomplishing worthwhile ends; and it begs the question whether, in the long run, there is any real difference between "our side" and "the other side" worth fighting about.

No one can deny that there is a struggle in the world from which Americans cannot escape, but some of them will persist in believing that there is a difference in what this nation and its adversaries stand for and that difference requires of us not only to fight itself but different means of waging it. If that is naïveté, make the most of it.

Beaching the "Savannah"

EXTENSION OF REMARKS

OF

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 2, 1967

Mr. WOLFF. Mr. Speaker, the United States has a proud heritage as the leader of the shipping and maritime industries of the world. This heritage, built up over a hundred years, is taking only a few years of neglect and poor planning to be destroyed. A primary example of how we are allowing this industry to deteriorate to a second-class status is the case of the nuclear ship *Savannah*. The world's only atomic merchant vessel, the *Savannah* has been scheduled to go into mothballs this summer as a Government economy measure. The following editorial from the New York Times of Wednesday, March 1, 1967, expresses more fully the tremendous need for a revitalization and a reawakening of our maritime policy. Under leave to extend my remarks, therefore, I would like to bring it to the attention of my colleagues: [From the New York Times, Mar. 1, 1967]

BEACHING THE "SAVANNAH"

To have laid up the Flying Cloud, pride of the clipper fleet, in her heyday in the mid-nineteenth-century period of American maritime greatness would have been a major nautical heresy and a gross economic misjudgment.

Today, the modern equivalent of the Flying Cloud—the only nuclear-powered merchant vessel in the world, the *Savannah*—is in danger of being warped into some brackish backwater because she cannot operate competitively.

The tentative decision to lay up the *Savannah*, after only four years of labor-plagued operation, dramatizes the prodigious problems of the United States merchant marine and demonstrates the urgency of the President's long-promised statement on maritime policy. Alan S. Boyd, Secretary of Transportation, has told industry and union leaders that he hopes to have the Administration program ready for Congress late this month. Details which have already leaked make it plain that the program will be highly controversial, but the important element is that it will serve as a spur for debate and needed action.

Only about 8 per cent of America's foreign trade is carried in American bottoms; the United States ranks a poor tenth among the nations of the world in merchant ship construction. The unsubsidized portion of the merchant fleet—the bulk-cargo carriers and dry-cargo tramp ships—are diminishing in number and obsolescent in technology.

Seventy per cent of the merchant fleet is overage. To meet the relatively small needs of the Vietnam war 149 ships—many of them in sad condition—have been taken out of the reserve fleet; but difficulties and delays have attended the entire operation.

To state the problem merely emphasizes its complexity. Part of the fault rests with Secretary of Defense McNamara and his aides who have downgraded the importance of a strong and modern merchant marine. Shipyards and labor unions have almost priced the merchant fleet out of business.

Where subsidized operators have built advanced, automated cargo carriers—container ships, roll-on-and-roll-off cargo vessels and high-speed, small-crew ships with revolutionary new cargo-handling equipment—

The CIA

EXTENSION OF REMARKS

OF

HON. WILLIAM F. RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1967

Mr. RYAN. Mr. Speaker, in today's New York Times, Tom Wicker writes about the involvement of the Central Intelligence Agency and domestic organizations. Mr. Wicker points out that a democratic nation cannot use the same methods as its undemocratic adversaries and expect to be effective. His article is a sound analysis of the reasons why the CIA must not be permitted to secretly subsidize seemingly free institutions. I recommend the following article to my colleagues:

VIVE LA DIFFERENCE

(By Tom Wicker)

WASHINGTON, March 6.—President Johnson's special representatives are studying the Central Intelligence Agency to see what changes, if any, should be made following the discovery that the agency had penetrated a number of private organizations while carrying out its work.

The difficulty is that no conceivable recommendation can reach the most difficult problem that has been disclosed—the attitudes of the men who carry out secret operations, of those supposed to be in "control" of them, and of the politicians who underwrite the effort.

The New York Times published this morning a compilation of the views of many of these men, none of whom could be quoted and few of whom will even talk to the press under normal circumstances. It was a disturbing account.

PUBLIC BLAMED

Those interviewed appeared to be upset only at what they considered a setback to their program. They believed it now would be harder for them to do their work. And they tended to blame a naïve public for not understanding the nature of the challenge.

They made it clear that they regarded the